

Alabama Trust Fund Today

The Alabama Trust Fund is Alabama's savings account. 68% of the principal is invested in fixed income investments and 32% is invested in equities. The funds are professionally managed by 14 managers, selected through a competitive process by the Board of Trustees. The Governor serves as the Chairman of the Board, the Finance Director serves as the Vice Chairman and the State Treasurer serves as Secretary of the Board. There are six other voting members that serve staggered terms: 3 appointed by the Governor, 2 appointed by the Lt. Governor, and 1 appointed by the Speaker of the House.

Since the fund was created in 1985, over \$2 billion has been received in oil and gas capital payments. The trust fund received on average \$31.1 million in oil and gas payments per month in FY2006. The interest income that is generated by the investments of the Alabama Trust Fund is transferred to the General Fund which is used to fund the essential services of State. From fiscal year 2002 to 2006, \$485 million was transferred to the General Fund from the Alabama Trust Fund. As of September 2006, the Alabama Trust Fund had a \$2.9 billion capital balance.